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Date Of Confirmation: 26th July, 2012

Title Of Research:

A Study Of The Distribution Channels Adopted By Pune Based Self Help Groups

Synopsis

1. Title of the Research Proposal:

A Study Of The Distribution Channels Adopted By Pune Based Self Help Groups

2. Introduction of Research Proposal:

SHG- "Nonprofessional organization formed by the people with a common problem or situation, for the purpose of pooling resources, gathering information, and offering mutual support, service or care"
(Source: The Columbia Electronic Encyclopedia)

Strategic Marketing – Defined

"Marketing attempts to understand the needs of the client and to adapt operations in order to meet those needs and achieve greater sustainability. It addresses the issues of new product development, pricing, the location of operations and the promotion of the institution and its products. Marketing is a comprehensive field aimed at strengthening the institution by maintaining focus on the client. In doing so, it creates exchanges that satisfy individual and organizational goals."
Kotler, 1999

Distribution Channels – Defined

"A way of selling a product either directly or via distributors."
(Source: The Columbia Electronic Encyclopedia)

Whither SHG?

Self-Help Group or in-short SHG is now a well-known concept. It is now almost two decade old. It is reported that the SHGs have a role in hastening country's economic development. SHGs have now evolved as a movement.
Source: 'Drushti' - Stree Adhyayan Prabodhan Kendra An Evaluation Of Impact Of SHG On The Social Empowerment Of Women In Maharashtra National Commission For Women, New Delhi.

The SHG movement is said to represent an alternative development strategy, one that involves the process of social economic empowerment and whose long-term objective is to rebalance the structure of power in society. It is centered on people & their environment and argues for the rectification of imbalance in social, economic & political power.
Source: Shweta Singh + 2 (2011): A state of the Art of SHGs in India, Kamla-Raj

3. Origin of Research Problem:

The study aims to identify the different existing Strategies adopted by SHG's to formulate Effective Distribution Channels for the marketing of products (if any) by an exploratory study. An attempt is being made to roll out a Model wherein, a chain of Production, Distribution, Exploitation of Market, as well as Gathering Govt. and Non-Govt. help for the same, will work in tandem.

4. Interdisciplinary Relevance:

- It is understood through various articles & published information that there are no proper Distribution Channels adopted by SHGs and any detailed research in this area is done so far *(Daily Sakaal dated 31st October 2008)*
- Lack of knowledge about the optimum price for their produce & the market where the produce has the maximum demand often drives the SHGs to desperation. In their eagerness to sell the produce quickly, they sell their products to commission agents (Middle Men) or in the nearby market which often, does not result in full market potential of their produce *(Mgmt. Review: An INT. jrnl Vol.3, No.2 Winter 2008)*
- Although different SHGs are encouraged to participate in district & state level exhibition and 'melas' for better price and publicity of their products, not all SHGs possess enough exposure and/or finance to utilize their potential to the maximum. *(http//www.acted.org/)*
- Marketing the products made by SHGs an important & difficult task as the products have to be sold directly to the people themselves. The SHG will have to emphasize on the quality and affordable prices to enhance the sales. Therefore SHGs will have to evolve appropriate strategies for market promotion & use the proper Distribution Channels. *Source: R. Ganapati+1 (2008); Consumers Attitude And Preferences Towards SHG Products, Asia Pacific Business Review Publisher.*
- The operation of any SHG itself is localized; this means there is limitation in terms of geographical coverage. SHG members generally lack literacy, technical competence, Market Intelligence and entrepreneurial spirit. Hence, face a lot of difficulties. *Source : Muneer Sultana (29/5/12); LAP Lambert Academic Publishing , Marketing of Rural Self Help Products in Andhra Pradesh*

5. Review of Research & Development in Subject:

Indian Scenario

a. To alleviate the property and empower the women, the micro-finance has emerged as a powerful instrument in the new economy. With availability of micro-finance, self-help groups (SHGs) and credit management groups have also started in India, and thus the movement of SHG has spread out in India.

b. The concept of SHG was not new to India. Beginning with a tiny amount only 25 paise, the women of Maharashtra from Amravati district had established one SHG long back in 1947.

c. Aim of 'SHG' is to empower the poor in both ways, economically and socially. Presently, numerous NGOs and governmental institutions like NABARD, MAVIM, DRDA, Municipal Corporations, etc. promote SHGs on a large scale. (*Source: 'Drushti' - Stree Adhyayan Prabodhan Kendra An Evaluation Of Impact Of SHG On The Social Empowerment Of Women In Maharashtra National Commission For Women, New Delhi.)*

6. Significance of Study in Context of Current Status:

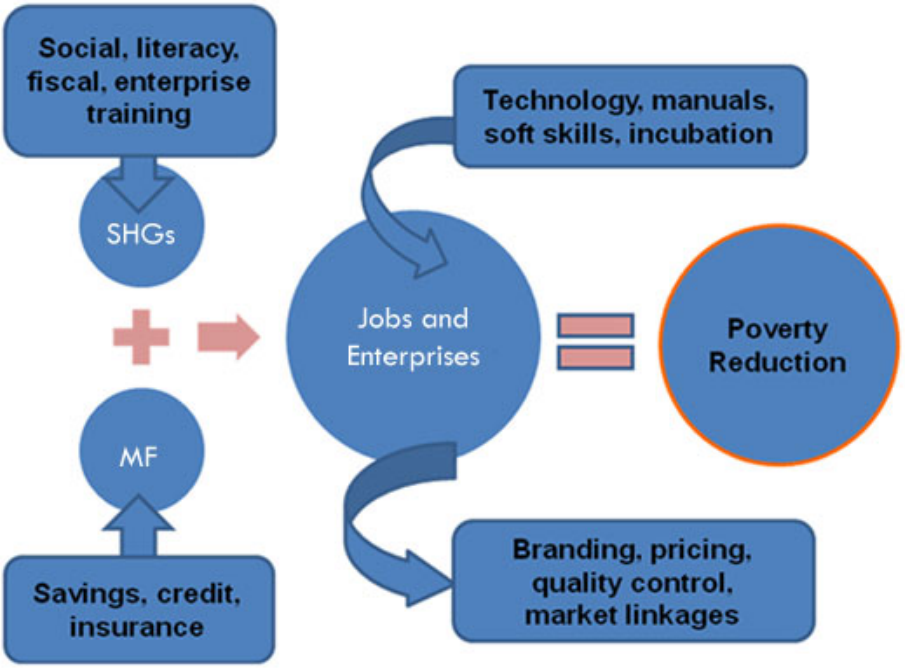
1. Importance of SHGs

- In spite of having rich natural Forest & Human resources, Mayurbhanj was the poorest district of Odisha; more than 48% people were BPL. The only agricultural surplus was Sabai grass. Odisha Government & many NGOs intervened & trained the tribal people about SHGs and made them aware of its advantages. In the next 5-6 years, the whole face of the district was transformed. The Mayurganj Sabai Processing & Marketing Co-op Society was established through ORUPA (Odisha Rural and Urban Producers Assoc.) and Odisha State Government. Due to the " Marketing Support", there was total economic development of the district *(International Journal of Business & Management Vol. 5, no.2, February 2010)*

- Thousands of such examples can be cited from all parts of the country, all pointing towards the success of the SHG Movement in India.

(Source: http://jorhat.nic.in/drda/shg_marketing.htm)

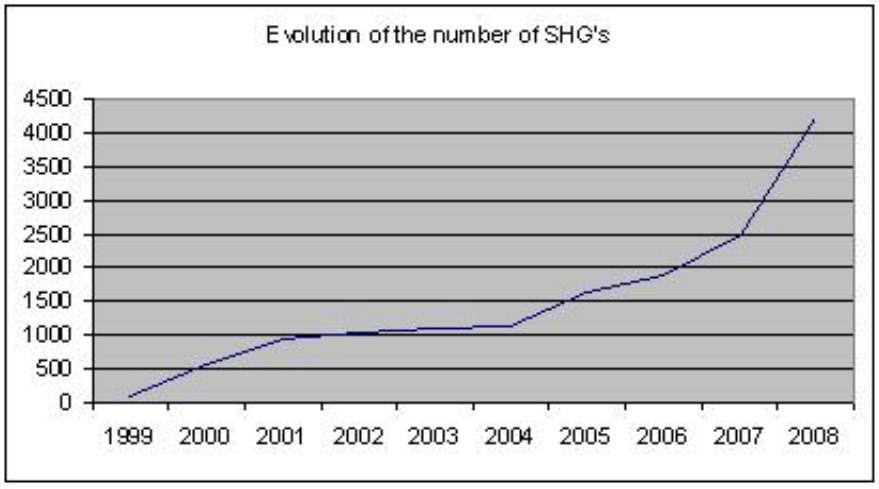
2. Achievements of SHGs



Source: K.Rajaraman +10 (2005): A guide to SHG Federations. Tamil Nadu Corporation for Development of Women Ltd.

3. STATUS of MICROFINANCE in INDIA (2009-10)

- Total number of SHGs savings linked with banks: 69.53 lakh
- Out of total (of which) exclusive Women SHGs: 53.10 lakh
- Total number of SHGs having loans: 48.51 lakh (as on 31.03.10)
- Of which exclusive Women SHGs: 38.98 lakh
- Estimated number of family covered: 97 million (as on 31.03.10)



Source: NABARD

4. STATUS of BHIMTHADI & PAVANATHADI Jatras

Bhimthadi & Pavanathadi Jatras are considered as platforms provided by Pune municipal Corporations to SHGs to market their produce efficiently.

Details	Bhimthadi Jatra	Pavanathadi Jatra
No. of stalls put up	550	350
No. of SHG participated	170	100
No. of Registered SHGs in Maharashtra	123295	
% participation	0.14%	0.08%

Source: Daily Sakaal, Times Of India, & www.connectjournals.com/file_html_pdf/574001H_61-63a.pdf

Looking at the above, we can safely conclude that:
In spite of Government support, and necessary aid from NGOs, SHG movement has not achieved the desired level of success in terms of employment generation & profit making.

To achieve this goal……

A good Strategy for Marketing of Products & putting in place Effective Distribution Channels will enable SHGs to:

- Understand the market needs and have a specific action on the needs of the customers.
- Position themselves in the market.
- Promote their product / services well.
- Build a good rapport with existing customers
- Design proper promotional activity i.e. to inform and motivate by providing services

7. Objectives

The study will be conducted with the objective of understanding the process of innovative marketing models in the SHG sector and to draw lessons from the success stories to upscale and replicate in a similar socio-politico-economic scenario in other parts of the country. It will be conducted to provide a better understanding of marketing by self-help groups (SHGs), with the hypothesis that proper Distribution Channels in the marketing of SHG products reduce the transaction cost and improve the market access and its efficiency.

The main objectives are to:

- Review the present status Distribution Channels of SHG Products in Pune.
- Find out the innovative marketing schemes for SHG products.
- Examine the various State Government plans, programs and their implementation in the agricultural development of SHGs.
- Identify various marketing problems faced by the SHG and to suggest suitable measures for solving them.
- Explore the involvement of existing agencies (NGO, Bank and Co-operative Society) for development by the way of education, training and their support in financing for improving the SHG products and processes.

8. Methodology

Primary data will be collected by direct interactions with SHGs through interviews & GDs to know the views of SHGs and know their current situation.

The secondary data will be collected from various published sources of the Central and State Government such as the Census of India volumes, statistical abstract, selected socio-economic statistics, per capita Net State Domestic Product of States. Economic Survey, Central Government Publications, District Statistical Hand books and Indian Council of Marketing Research journals from 1999 to 2008, etc. will also be used in this study.